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DELAWARE COMMUNITY REINVESTMENT ACTION COUNCIL, INC.

Our mission is "to ensure equal access to credit and capital for the under-served populations and communities throughout Delaware through Education, Outreach, Advocacy, and Legislation."

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March 10, 2006

Robert E. Feldman

Executive Secretary

Attention: Comments/Legal ESS

Room 3060

Federal Deposit Insurance Corporation

550 17th Street, N.W.

Washington, D.C. 20429

Via email: Publichearing@FDIC.gov

Re: Timely communication in opposition of the proposal to
charter and insure Wal-Mart Bank
(FDIC Application # 20051977)

Dear Mr. Feldman:

On behalf of the Delaware Community Reinvestment Action Council, Inc., (DCRAC), a Delaware non-profit organized around fair lending, I am writing in opposition to the application to charter and insure Wal-Mart Bank, a Utah Industrial Bank. We request an opportunity to supplement our written comment today at the public hearing scheduled in Washington DC on April 10th and April 11th.

As many community banks have already stated, they are skeptical of Wal-Mart Bank's intentions to operate a limited ILC charter in Utah. In their comments, they rely on Wal-Mart's corporate philosophy and history, which are very troubling.

Wal-Mart, to destroy competition, lowers its prices. Once competitors have been driven out of business, Wal-Mart raises them again. In this day and age of mergers in the business sector, our communities rely very heavily on community banks for their banking needs. If Wal-Mart Bank duplicates its business practice in the area of banking (lower prices until competition is thwarted

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and raise them when there is no competition), already devastated communities (as a result of merger mania among the big banks) face sure annihilation.

Let us look at Wal-Mart's business practices as they relate to abiding by the law. It has been charged with violating Equal Employment Opportunity Act--both based on gender and race. Even consumers have alleged that Wal-Mart employees illegally detained minorities until police arrived and searched bags or stopped them as they were leaving.

What is so troubling about the gender-based employment discrimination law suits is that Wal-Mart was given a recommendation in 1998 by a diversity task force on how to make its work force diverse. Rather than carrying out the recommendations Wal-Mart simply disbanded the panel.

All of the dangers of mixing banking and commerce get raised more specifically in instances such as this application. Not only are there significant safety and soundness dangers, the greatest threat is the possibility of continued anti-competitive conduct that could jeopardize our community banking system.

The other grave area of concern is privacy. The possibility of unfair lending is far greater where the lender (referring to Wal-Mart's existing customer data base) has much more than mere credit reports on which to base its credit decision.

The far reaching impacts of Wal-Mart Bank are many. Wal-Mart as a retailer destroys competition. The retail competitors used to bank with a community bank. So did their employees. The community bank held these long-term deposits and in turn loaned them into the local community. Post Wal-Mart, there are no other retailers in the community. Fewer community folk are employed. Community Banks flounder. With Wal-Mart Bank, all deposits from Wal-Mart are made into the Bank. On a daily basis, earnings are transferred to the corporate headquarters in Bentonville, Arkansas. There is nothing left for investment in local communities. Without access to credit, communities are left to conduct their finances in the shadowy world of fringe finances. The decrease in credit availability in communities from which Wal-Mart siphons off money alone justifies denial of this application.

Thank you for this opportunity to submit brief comments and request participation at the planned public hearings on April 10 and April 11 in Washington, DC.

Sincerely,

Rashmi Rangan